



State Capitol | Lansing, Michigan 48913
PH (517) 373.1758 | FAX (517) 373.0938
www.senate.michigan.gov/gop/senator/cassis/

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Contact: Tom Davis
517-373-1758

Cassis supports ban on local ordinances that chase away jobs

LANSING – State Sen. Nancy Cassis today spoke out in favor of a proposed ban on local “living wage” ordinances, saying that such policies raise wages for a few at the expense of lost jobs and higher prices for others.

“Well-meaning cities that impose ‘living wage’ policies as a way to lift workers out of poverty actually do their residents a disservice,” Cassis said. “Some workers may see a wage hike, but others pay the price in the form of fewer jobs and higher prices.”

The Michigan Senate will take up a bill next week that would prevent local governments from imposing such ordinances on local businesses.

House Bill 4160 would ban city governments from imposing higher wage mandates on businesses seeking development assistance or businesses that were simply located within the city limits. City governments could still require contractors directly providing services to the city to pay a “living wage” if they wish.

Thirteen Michigan municipalities currently have “living wage” ordinances for businesses that contract with or receive financial assistance from them. Testimony from business groups has indicated that the ordinances in place are pushing jobs out of the cities that are adopting them.

Cassis said these ordinances also may lead to more urban sprawl as companies set up shop in greenspaces rather than in existing cities.

“These ordinances steal job opportunities from workers, often those who are on the bottom rungs of the ladder to economic opportunity,” Cassis said. “By pre-empting local “living wage” laws, Michigan would take an important step in clearing away another obstacle to job creation and economic growth.”

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